



Strategic Asset Management Plan

Building a better Surrey

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Foreword

Management of our assets and the link between buildings and the delivery of services to the residents of Surrey has never been more important.

With challenging economic times and the need to stimulate growth, asset management is now a top priority for central government and the wider public sector.

We in Surrey have a key role to play and have already been recognised for our work in initiatives such as the government's Capital and Asset Pathfinder programme and Surrey First.

Our Strategic Asset Management Plan provides a route map that allows our customers, elected members and staff to see our direction of travel and our forward-thinking and innovative approach to property. It includes the whole range of our activities, from investment and acquisition to the day-to-day management of our built estate. All of these areas will be instrumental in improving services in Surrey.

The plan highlights some key actions that members and officers are committed to deliver. We will take a personal role in seeing these through. The publication will be a living document, with subsequent revisions planned on a regular basis.

We are delighted to introduce this Strategic Asset Management Plan and trust that everyone finds it a useful and informative document.



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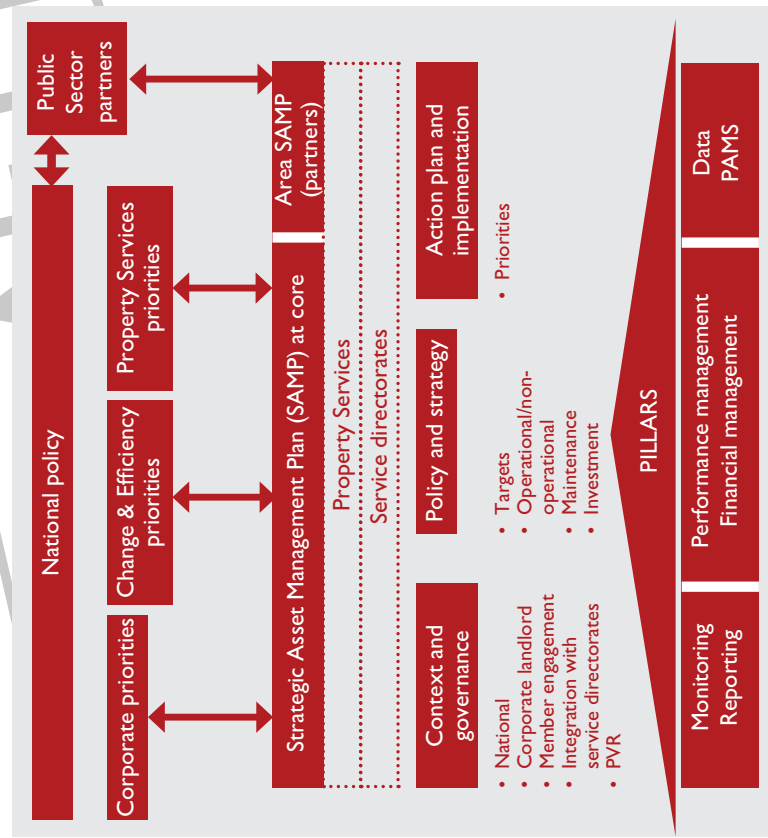


Executive summary

Context

The importance of our assets and their strategic management has long been a priority for the council. We have recognised the significant positive impact the assets can have on service delivery, often providing the catalyst for service improvement.

Sitting at the core of the Property Services function, this Strategic Asset Management Plan will guide our future property decisions and provide the link between the strategic consideration of assets and their role in the delivery of the council's services. Underpinning the plan is a set of customer-focused actions that both officers and members are committed to deliver.



The diagram above illustrates the plan in context. It shows how the plan acknowledges the Corporate Priorities, the priorities of the Change and Efficiency Directorate and the Property Services priorities, and uses these as principal reference points.

These priorities run through the core of the plan, providing clarity on the vision and values for the council, how the directorate and Property Services strives to meet these, and the targets against which these will be measured. Of note is the targeted spend through local Surrey suppliers, the CO2 and energy usage reduction, support for regeneration, growth and investment, and the move towards smarter and more flexible ways of working.

In parallel, the plan shows how it will accommodate other drivers which will affect asset management, including national policy areas such as the Localism Act and the Community Right to Bid. It sets out the important role the county council has in working with other public sector partners through initiatives such as Surrey First, and the council's involvement in government programmes such as the Capital and Asset Pathfinder.

Customers, including residents, members, service directorates and staff, are provided with a clear view of how Property Services will work with them through virtual teams and an end-to-end approach to delivery.

All of this is supported by a set of key actions to improve the services and supporting pillars that underpin all of the work, providing rigour in the management, systems and controls for the department.

Governance framework

A council-wide Public Value Review was carried out in 2010/2011, which found that although the Property function was ahead of the game in its aspirations for a more strategic and customer-centric service, it had some specific areas for improvement. Since then, Property Services has restructured with a new management team in place and an under-pinning structure that covers the property lifecycle as 'one team'. The corresponding culture change is a key strand of the restructure and one which is already starting to see real benefits in the engagement of customers and a joining up across the department.

Led by the Chief Property Officer, a team of five senior managers covers Asset Investment and Regeneration, Asset Strategy and Planning, Schools and Programme delivery, Transformation and Delivery, and Performance Management.

Property Services works within an approved governance framework that provides delegated limits of approval from Cabinet to individual Cabinet members and officer/member groups. These are set in the context of the council's five-year Medium Term Financial Plan and associated corporate processes.

A key area of the governance arrangements is the integration with the service directorates. A concept of virtual teams has been introduced to deliver effective customer relationship management. This allows the customers to have an account team comprising the relevant property personnel which will flex to meet changing demands. It is anticipated that this approach will be extended to link with wider team in the Change and Efficiency Directorate.

Building on the efficiency theme and the desire for more cross-public sector working, a cluster arrangement has been set up with Hampshire County Council and a number of other participating authorities, to look at a co-ordinated approach to procurement and delivery of large programmes of capital works. This is already being recognised as an exemplar delivery model across the public sector and is achieving significant savings.

Policies and strategies

The governance framework set out above supports a set of policies and strategies that span across the whole of Property Services. Some of these are well established and embedded within the council, while others are relatively new and are still developing, having been introduced to meet a particular need or set of circumstances. In summary, the policies and strategies are:

Carbon management and sustainability is concerned with reducing the estate's carbon emissions and effectively managing its energy consumption. A programme of work of £13.1m over a four year period is looking at energy efficient schemes, which has already seen a CO2 reduction of 12%. A wider carbon management plan to 2017 has been adopted which is seeking to reduce emissions through management of the estate, street lighting, building design, investment programmes and procurement practices.

Furthermore, the council is part of the Surrey Climate Change Partnership with Surrey Police, the Primary Care Trust and the 11 district and borough councils. This group has developed the Surrey Climate Change Strategy to provide an area-based approach to carbon reduction and sustainability.

Partnership working sets out the council's approach to working with our public sector partners in areas such as the property cluster, the projects identified by Surrey First and the co-location of Adult Social Care locality teams. Linked with partnership working, the partners are also exploring new and innovative approaches to the public ownership of property and looking at how partners can build capacity through the sharing of resource.

The Schools Estate section looks at the asset management approach to the education estate, which comprises around 380 facilities across community schools, foundation schools, voluntary aided and controlled schools and academies. The Schools and Learning Service and Property Services is developing a plan that will provide an asset management strategy for each area, a 5 year schools programme and Medium Term Financial Plan, and a 15 year forecast for infrastructure planning. The teams are also looking at working with the service to develop a set of protocols to provide a consistent approach to school place planning and a clearer and quicker route to decision making. In addition, the Special Education Needs (SEN) strategy is being refreshed and Property Services is helping identify and develop corresponding asset management plans.

The schools asset management plan will be central to the service directorate's strategy development, allowing a long-term planning horizon. This will include building condition, building solutions and a whole lifecycle cost approach.

The Non-Schools Estate covers a wide-range of assets that are needed by the service directorates outside of the education estate. Property Services works collaboratively with the service directorates to assess the short, medium and long term impacts on the council's assets and future asset needs. More specifically, Property Services assists the directorates as their strategies evolve, providing supporting strategic advice to assist in the direction of travel and option setting of those emerging strategies which have property and asset implications. Examples of the types of assets include fire stations for Surrey Fire and Rescue, older person homes and residential care provision, waste recycling centres, centres for service for young people and gateways for disability services.

Office Accommodation has a particular focus in the plan, emerging from the Making a Difference programme. This area looks at more efficient and flexible use of the office estate, enabling the technology to allow this to happen and challenging existing working practices and culture. Property Services is taking a strategic view across the estate and will draw together a business case that contains occupancy needs, staff location, directorates' future needs, desk numbers and flexible working opportunities.

The Rural Estate extends to around 1,200 hectares with approximately one hundred tenants occupying a mixture of dairy farms, grassland farms, smallholdings and grazing as well as cottages and rural businesses. Property Services manages this estate with priorities "to optimise the financial, social and environmental returns through proactive management that promotes dynamic involvement with the local communities it serves". These are underpinned by three objectives:

- 1) optimising revenue and returns
- 2) supporting rural businesses and communities
- 3) supporting good environmental stewardship.

Housing management – although not a housing authority, the council holds a portfolio of properties used for residential purposes. These fall into the categories of tied housing, private rented and vacant houses, and gypsy sites. All of these properties need management by Property Services, including management of vacant properties, maintenance, disposals and performance measures.

Income and Investment Strategy – the council has powers to acquire land or property which is either planned, where a specific need has already been identified, or opportunistic where a property is offered for sale and the council can demonstrate a clear benefit in acquiring it. For planned purchases, capital within the council's budget is identified in the Medium Term Financial Plan to provide facilities such as schools.

The council is developing an investment strategy to produce and enhance revenue streams to contribute to service costs and to facilitate economic development and regeneration of towns and other areas in Surrey.

Similarly, the council also has a Disposal / Transfer Strategy which historically was used for surplus assets as a result of changes to service provision. This is now linked to the investment and income strategy with assessment now including potential for alternative use, risk profile, funding, control of delivery and procurement issues.

Risk management is part of the council's Constitution and is embedded in Property Services, being integral in all that we do. As well as health and safety, it covers programme, delivery and financial risk, fire, asbestos, Equalities Act (access) and statutory inspections. An essential part of the risk management approach is the Emergency Planning and Business Continuity arrangements which are there to keep all core functions operational in the event of an emergency.

Procurement is managed in conjunction with the council's strategic procurement function. For Property Services, this means a programme approach to professional sourcing, harnessing opportunities through a detailed knowledge of the supply chain and collaborating with other authorities to get economies of scale and share knowledge. Goals and measures of success are in place ranging from procurement savings, supply chain savings and percentage of construction-related spend through local suppliers.

Maintenance - Property Services is responsible for maintaining the council's buildings and their plant and equipment effectively, efficiently and economically:

- to a standard which ensures that the condition of all buildings does not hinder use or provision of services
- to comply with legal requirements
- to maintain the value of the council's property

As is the case for many local authorities, the council has a backlog of maintenance. This is prioritised to the budget available using a risk management approach, considering future service plans, energy usage, performance trends and condition.

Maintenance is carried out using regimes including cyclical maintenance, responsive maintenance and planned maintenance. Maintenance staff form a key part of the customer-facing virtual teams.

Property Services has in place a buy-back arrangement with schools for maintenance. Presently, up to 75% of schools buy back a service of some kind. A new Buyback service is due to be launched in April 2013.

Facilities Management (FM) is the 'first line' of contact for building users and covers the day-to-day management of the corporate portfolio of non-schools buildings. FM takes two approaches:

- 1) Fully Services Accommodation, a range of hard and soft FM services across five key council offices
- 2) Integrated Facilities Management, which is a service covering compliance and building management issues in 240 non-school sites.

The Helpdesk is the focal point for all building users to log responsive service calls. Providing a 24 hours a day, 7 days a week, 365 days a year service, the helpdesk is an important source of intelligence for Property Services and aids greater budgetary control, collaboration between technical and professional staff, and data into maintenance regimes. Future plans are to extend the helpdesk and transform it into an all encompassing Property Helpdesk.

Action plan and implementation

In preparing this strategic asset management plan, we have not only focused on the work currently being undertaken by the council but have given some real thought to the actions that will improve Property Services. By aligning these with the corporate strategy, it is possible to make the connection between the actions identified and how these support the council's priorities, which in turn benefit the residents of Surrey.

The actions range from development of policy areas through to some very specific tasks, all of which the management team agree are instrumental in improving the service delivered. These actions will be tracked through management reporting processes and will be reported to members on an annual basis.

Supporting all of the work set out in the plan and the corresponding set of actions are the supporting pillars – the management processes, systems and controls that run through Property Services. These fall into four main areas:

- 1) Performance management** – a framework to monitor the performance and consistency across Property Services, focusing on targets, measured against Key Performance Indicators (KPIs) and monitoring of performance of the department, supplier contracts and performance down to individual asset level. Benchmarking against comparable public sector organisations is undertaken.
- 2) Financial management** - the Property Finance team provides professional financial information, analysis, advice and support, produces all external financial reporting on council activities and lead on the council's annual budget setting and in-year monitoring arrangements. The finance team also sets the financial framework for the council, covering the regulations, instructions and guidance on all financial activities.
- 3) Data management** - property data is recognised as a key tool in driving value from the council's property assets. It is used for the day to day management of assets, measuring their performance and providing information to support asset strategy. Integral to the management of data will be the implementation of a new Property and Asset Management System (PAMS), which is currently underway in a joint initiative with Hampshire County Council. PAMS will provide a fully integrated property information system that will facilitate partnership working, bringing together property asset data, financial information, maps, spatial information from CAD plans, and document management. PAMS will assist public sector partners in the sharing of property data. It will also aid management of the plethora of property documents held in the department and help make property information more accessible and transparent, both internally and externally.
- 4) Reporting** - is key to decision making in Property Services and supports the governance process and general management of property business. It is broken down into three categories: 1) decision making – at departmental, directorate and Cabinet level; 2) performance - regular reporting of key performance indicators at departmental and directorate level; 3) business planning and improvement – regular reporting of progress against plans and targets at departmental and directorate level.



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